



THE NAVAJO NATION

OFFICE OF THE PRESIDENT & VICE PRESIDENT

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CONTACT: GEORGE HARDEEN

COMMUNICATIONS DIRECTOR

OFFICE – 928-871-7000

CELL – 928-380-7688

pressoffice@opvp.org

Navajo Nation President Joe Shirley, Jr., vetoes two pieces of legislation passed in December 2006

WINDOW ROCK, Ariz. – Navajo Nation President Joe Shirley, Jr., on Tuesday vetoed two pieces of legislation passed by the Navajo Nation Council in December.

The President vetoed the Judicial Branch Appropriations Act, saying it would cause massive layoffs of more than 200 Navajo Nation employees, and legislation to create the Tse'Daa'Kaan Gaming Enterprise, saying it would likely violate gaming compacts with the states of New Mexico and Arizona and conflict with the Navajo Nation's own Tribal Gaming Enterprise.

In his Jan. 16 veto message to Navajo Nation Council Speaker Pro Tem Ervin Keeswood, Sr., the President said the language of the Judicial Branch Appropriations Act is "extremely vague and provides no real guidance to properly allocate funds between the Executive and Legislative Branches."

The law called for 10 percent of the Nation's operating budget to be allocated to the Judicial Branch and the balance to be "divided between the Executive and Legislative Branches."

Reiterating what he wrote in a Dec. 21 to Council delegates, the President said an analysis by the Navajo Nation Office of Management and Budget determined that, based upon FY07 budget figures, enactment of the legislation would cost the Executive Branch more than \$9.2 million.

"That, in turn, will require a massive layoff of approximately 200 Navajo Nation employees from all divisions and departments," President Shirley said. "Public Safety will be forced to shut down the Highway Safety Program and will be unable to implement the Victim Witness Program."

In addition, he said the loss of one staff member from the Navajo Tax Commission "can be expected to cost the Nation \$5 million per year in uncollected taxes."

He said the law would have also required the Navajo Area Agency on Aging to lose approximately 40 staff which would have impacted the Nation's ability to provide direct services to elders.

"There are similar costs associated with the loss of staff in every area," he said. "The point is that any funding reduction

"The Judicial Branch Appropriations Act would have required a massive layoff of approximately 200 Navajo Nation employees from all divisions and departments."

– Navajo Nation President Joe Shirley, Jr.

in the Executive Branch will impact our ability to provide essential services to the Navajo people and, it appears, none of these impacts have been considered."

The President stated that enactment of the legislation would have caused the Executive and Legislative Branches to bear the burden for fixed costs to operate the entire government, including costs of the Judicial Branch.

The Executive and Legislative Branches would have also borne the burden of the set-asides for the Historical Trust Asset Management Litigation Trust Fund and the additional funding for the Veterans Trust Fund, for a total reduction of approximately six percent. Additionally, the impact on the Legislative Branch would have resulted in a reduction of approximately \$1 million.

The President explained that he vetoed Tse'Daa'Kaan Gaming Enterprise because he cannot support the establishment of individual chapter gaming enterprises.

"While I fully support chapter involvement in gaming, and especially involvement of those chapters designated as host chapters," he said, "I cannot support the establishment of individual chapter gaming enterprises."

He explained that the Native gaming industry is heavily regulated, and that having separate chapter enterprises would inevitably create confusion, and could possibly violate the compacts between the Navajo Nation and the states of Arizona and New Mexico.

These compacts define "Gaming Enterprise" as "*the* tribal entity created and designated by the Nation as having authority to conduct Class III Gaming pursuant to this Compact," he said.

The compact between the State of Arizona and the Navajo Nation defines "Gaming Facility Operator" as "the Nation, an Enterprise owned by the Nation, or such other entity of the Nation....having full authority and responsibility for the operation and management of Class III Gaming Activities," he said.

"I believe that neither compact allows for the establishment of more than one Gaming Enterprise or operator within each of the respective States," the President said. "As President of the Navajo Nation, it is my duty to represent and protect the interests of the *entire* Navajo Nation."

Further, he said he was concerned that chapters in New Mexico would diminish the ability of the Navajo Nation to maximize its revenue-generating potential to fund government operations, and to provide essential services for all Navajos. The same holds true for chapters in Arizona, he added.

The President also said the Navajo Nation Council recently established the Navajo Nation Gaming Enterprise to serve as the central authority responsible for all gaming operations within the Navajo Nation.

He said that enterprise only would answer to state regulators, the National Indian Gaming Commission and to the Navajo Nation Council.

"The establishment of the Navajo Nation Gaming Enterprise requires representation from each of the Navajo agencies as well as board membership with specialized degrees and experience in the gaming industry," he said. "The Enterprise also has the authority to establish additional casino facilities under the control of the Enterprise."

To avoid major confusion with state and federal regulators and possible violation of the state gaming compacts, to avoid competition among our own local communities, to ensure the implementation of our gaming development plans, to maximize our revenue generating potential, and to protect the interests of the entire Navajo Nation, the President urged the Council to maintain its support of the Navajo Nation Gaming Enterprise.

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